

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**RE: PETITION OF BAY STATE GAS COMPANY
FOR APPROVAL OF REVISED TARIFFS**

DTE 05-27

AFFIDAVIT FOR KEVIN FRIARY

1. My name is Kevin Friary. My address is 132 Ferncrest Drive in Taunton, Massachusetts.
2. I am the President of Local 273 of the Utility Workers Union America ("Local 273"). Local 273 has approximately 200 members who perform a wide variety of jobs and functions within the Brockton division of Bay State Gas Company ("Bay State"). Local 273 is also a full intervenor in Bay State's pending rate hike case, DTE 05-27.
3. In my capacity as President of Local 273, I have many dealings with my members and with Bay State management. I also routinely review various newspaper articles and other published materials (whether in print or electronic format) regarding Bay State and its parent NiSource.
4. Within the past two months, I have become aware through numerous published reports and other sources that NiSource has chosen IBM to outsource jobs in as many as seven departments, affecting as many as 1000 employees at NiSource and 100 or more employees at NiSource subsidiary Bay State.
5. Based on recent activity by Bay State and statements by NiSource officials in the press, it appears that NiSource/Bay State will be making a decision this month of the status of employees who will be affected by the outsourcing. Just within the past few weeks, Bay State asked Local 273's permission to have unionized employees respond to a personal profile sheet in connection with the choice of IBM as the outsourcing vendor. Employees are being asked to describe their job responsibilities and functions. I attach to this affidavit a "NiSource Outsourcing Fact Sheet," a letter from NiSource President Robert Skaggs, and an "IBM Personal Profile Sheet," all of which demonstrate that NiSource has already chosen IBM as its outsourcing vendor and that staffing reductions are imminent.
6. The Massachusetts-based employees whose jobs are most likely to be outsourced include those who perform billing functions and those involved in answering phones and providing customer service. While Local 273 represents some of these employees, others

are represented by another union. Many of these employees in these billing and customer service positions are women, including several who are the sole source of support for their families.

7. Many of the employees who handle billing, answer telephones and provide customer service have decades of experience on the job. The average tenure for the billing personnel is approximately twenty-five years. Local 273 members who have those jobs have been well trained by Bay State, are very knowledgeable about their jobs, and are committed to providing the highest quality service.

8. I have thirty-five years experience in the utility industry. I became a union steward within my first year of work. I've been a leader in the labor movement ever since, including in my current roles serving as President of Local 273 and as President of the Massachusetts Utility Workers Council. In my experience, outsourcing and staff reductions at Bay State have had serious consequences for ratepayers and the public at large, depending on which jobs are affected. About three years ago, staffing levels were reduced in the Springfield call center, jobs which, I should add, are not represented by my local so that my members were not directly affected. The telephone response rate at the call center plummeted, to the detriment of ratepayers, and Bay State's New Hampshire affiliate was fined for five straight months by the New Hampshire PUC for inferior service. In an incident of outsourcing going back to 1998, Bay State outsourced the function of locating gas lines in connection with construction, street openings, and the like, over the urgings of Local 273 that this could put public safety at risk. In a tragic incident on March 4, 1998, a gas explosion killed two people, destroyed one home and damaged 68 other houses. The outside locator service had failed to mark a gas line leading to the destroyed home and was at fault for the subsequent explosion. Shortly thereafter, Bay State brought the locating function back in house.

Signed under the pains and penalties of perjury, this 11th day of June, 2005.

Kevin Friary